

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)	
CONSUMERS ENERGY COMPANY)	
for a waiver of certain residential billing)	Case No. U-17278
rules and <i>ex parte</i> approval of the Clear Control)	
Pilot Program.)	
_____)	

At the July 29, 2013 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. John D. Quackenbush, Chairman
Hon. Greg R. White, Commissioner
Hon. Sally A. Talberg, Commissioner

ORDER

On June 11, 2013, Consumers Energy Company (Consumers) filed an application seeking *ex parte* approval to implement a bill payment pilot program (Clear Control) and requesting, under 1999 AC, R 460.169(3), a waiver of the Consumer Standards and Billing Practices for Electric and Gas Residential Service (Billing Rules). Consumers filed an amended application on July 19, 2013, narrowing the number and extent of the waivers it initially requested.

Consumers' application describes Clear Control as a voluntary pilot program for a small group of low-income customers in the Flint area of Consumers' electric and natural gas service territory. The group will consist of 30 participants and an additional 30-member control group to use as a basis for comparing participant behavior. The purpose of Clear Control is to allow Consumers to evaluate whether different ways of providing customer information on energy use, and a different paradigm for customer billing can help low-income customers reduce consumption (reducing their

costs) while simultaneously improving their payment performance (avoiding arrearages, late payment fees, and shutoffs).

During the 10-month pilot program, which will begin the first day of the month following Commission approval, Consumers will partner with The Heat and Warmth Fund (THAW) to provide program participants with an initial in-home energy audit, including individually-tailored recommendations for low-cost, high-impact changes to reduce energy bills. Towards that end, participants will receive up to \$1,500 of energy efficiency upgrades to their homes funded through THAW. Program participants will also receive immediate access to spot aid financial assistance in an amount up to \$250 per participant to use as credit toward a participant's current Consumers' bills.

To participate in the program, participants must meet certain eligibility criteria, including that they: (1) be Department of Human Services assistance-eligible; (2) be a City of Flint resident; (3) have an active Consumers' account in the participant's name; (4) have no more than \$1,500 in arrears with Consumers; (5) have a demonstrated history of consistent payments, as set forth in the Clear Control Terms & Conditions sheet attached to the initial June 11, 2013 filing; (6) have the capacity to receive text messages and e-mails; (7) be paid in full on the participant's most recent Consumers' bill; and, (8) be able to opt out of any existing Consumers' payment plans.

In addition, Clear Control's terms and conditions set forth criteria that render a customer ineligible to participate, including, but not limited to, customers whose households include senior citizens, children under the age of 5, or those with a "serious medical condition."

Participants in the program will receive daily text messages informing them of their daily household energy use and cost. Participants will also receive two bills per month, instead of one, and will have 14 days to pay each bill. Three days before a bill is due, participants will receive a

due date notification via text message and email. They will receive additional text and email reminders two days before the bill is due, and on the bill's due date. Participants who fail to pay their bill within the 14-day period will have their power shut off the following day, and will receive notification of the day and time of the shut off via text message and email. A participant's power will only be shut off between the hours of 8:00 a.m. and 4:00 p.m. pursuant to Billing Rule 40(1). Consumers will restore the participant's service within 24 hours of full payment of the past due bill.

Pursuant to R 460.169(3), Consumers is requesting a waiver of R 460.120(1), R 460.120(6), R 460.123(1)(b), R 460.138(1), R 460.139, R 460.141, and R 460.142 of the Billing Rules.

R 460.169(3) provides:

Upon written request of a person, utility, or on its own motion, the commission may temporarily waive any requirements of these rules when it determines the waiver will further the effective and efficient administration of these rules and is in the public interest.

R 460.120(1) and (6) provide:

A utility shall permit each customer a period of not less than 21 days from the date the bill was sent to pay in full, unless the customer specifically designates a different payment date. A utility shall not withdraw funds from a customer account before the due date in cases where a customer uses an automatic bill payment plan unless the customer agrees to a different period.

Whenever an eligible low-income customer of a combination utility company receives a disconnect notice, the notice shall clearly show the customer has both of the following options:

- (a) An extended payment plan for both gas and electric service.
- (b) An extended payment plan to retain either gas or electric service as chosen by the customer.

R 460.123(1)(b) provides:

A bill that is transmitted by a utility shall state clearly all of the following information:

The units of energy consumed during the billing period and the units of energy consumed during the comparable period the prior year. Upon customer request, the utility shall provide weather-adjusted consumption data to the customer or to a third-party designated by the customer.

R 460.138(1) provides:

A utility shall not shut off service pursuant to the provisions of R 460.141 or R 460.142 unless it sends a notice to the customer by first-class mail or personally serves the notice not less than 10 days before the date of the proposed shut off. The utility shall send notice to the account name and address and to the address where service is provided if the service address is different and the notice can be delivered at that address. A utility shall maintain a record of the date the notice was sent.

R 460.139 provides:

- (1) A notice of shutoff of service shall contain all of the following information:
 - (a) The name and address of the customer, and the address at which service is provided, if different.
 - (b) A clear and concise statement of the reason for the proposed shutoff of service.
 - (c) The date on or after which the utility may shut off service, unless the customer takes appropriate action.
 - (d) That the customer has the right to enter into a settlement agreement with the utility if the claim is for an amount that is not in dispute and the customer is presently unable to pay in full.
 - (e) That the customer has the right to file a complaint disputing the claim of the utility before the proposed date of the shutoff of service.
 - (f) That the customer has the right to request a hearing before a hearing officer if the customer disputes the reasonableness of the settlement agreement offered by the utility or if the complaint cannot be otherwise resolved and that the customer must pay to the utility that portion of the bill that is not in dispute within 10 business days of the date that the customer requests a hearing.
 - (g) That the customer has the right to represent himself or herself, to be represented by counsel, or to be assisted by other persons of his or her choice in the complaint process.
 - (h) That the utility will not shut off service pending the resolution of a complaint that is filed with the utility or the commission in accordance with these rules.

- (i) The telephone number and address of the utility where the customer may make inquiry, enter into a settlement agreement, or file a complaint.
- (j) That the customer should contact a social services agency immediately if the customer believes he or she might be eligible for an energy assistance program or other emergency economic assistance and should inform the utility of any efforts being made to obtain payment assistance.
- (k) That customers who believe they may be eligible for assistance from an energy assistance program should determine if assistance is available before signing a settlement agreement because many agencies will not provide assistance if shutoff is avoided by signing a settlement agreement.
- (l) That the utility will postpone the shutoff of service if a certified medical emergency exists at the customer's residence or the customer is an eligible low-income customer who is actively seeking emergency assistance from an energy assistance program.
- (m) That the utility may require a deposit and restoration charge if the utility shuts off service for nonpayment of a delinquent account or for unauthorized use of utility service.
- (n) That the customer should contact the utility for information about a shutoff protection program.

R 460.141 provides:

- (1) For an involuntary shutoff, at least 1 day before shutoff of service, the utility shall make not less than 2 attempts to contact the customer by telephone, if a telephone number is available to the utility, to advise the customer of the shutoff and what steps the customer must take to avoid shutoff. If the utility uses an automated notification system, it shall document the process for ensuring that at least 2 attempts are made to notify the customer of the pending shutoff. If the telephone number is not available, the customer has no telephone, or the telephone contacts are not made, the utility shall either leave a notice at the premises advising the customer that service will be shutoff on or after the next business day or send notice by first-class mail postmarked at least 5 business days before shutoff of service is scheduled. The utility shall document all attempts to contact the customer.
- (2) Immediately preceding the shutoff of service, an employee of the utility who is designated to perform that function may identify himself or herself to the customer or another responsible person at the premises and may announce the purpose of his or her presence.
- (3) The employee shall have in his or her possession a copy of the delinquent account of the customer and request any available verification that the outstanding claims have been satisfied or are currently in dispute. Unless the customer presents evidence that reasonably indicates that the claim has been satisfied or is currently in dispute, the employee may shut off service.
- (4) The employee may be authorized to accept payment and shall not shut off service if the customer offers payment in full, together with a commission-approved

collection charge for sending the employee to the premises, if provided in the utility's schedule of rates and tariffs.

(5) The customer may pay in any reasonable manner, including by personal check or by credit or debit card. Payment by personal check, credit or debit card is not reasonable if the customer has paid with a personal check, credit or debit card within the last 12 months and at least 1 check has been returned for insufficient funds or no account, or at least 1 credit or debit card payment has been denied excluding financial institution error.

(6) After notice has been provided in accordance with subrule (1) of this rule, and if the customer does not respond, the employee may shut off service.

(7) When the utility employee shuts off service, the employee shall leave a notice in a conspicuous place upon the premises. For all forms printed after the effective date of these rules, the notice shall state that service has been shut off, the address and telephone number of the utility where the customer may arrange to have service restored, and that any efforts by the customer to restore his or her own service are unlawful and dangerous.

And R 460.142 provides:

(1) For an involuntary shutoff, at least 1 day before shutoff of service, the utility shall make at least 2 attempts to contact the customer by telephone, if a telephone number is available to the utility, to advise the customer of the pending shutoff and what steps the customer must take to avoid shutoff. If the utility uses an automated notification system, it shall document the process for ensuring that at least 2 attempts are made to notify the customer of the pending shutoff. If the telephone number is not available, the customer has no telephone, or the telephone contacts are not made, the utility shall either leave a notice at the premises advising the customer that service will be shutoff on or after the next business day or send notice by first-class mail postmarked at least 5 business days before shutoff of service is scheduled. The notice shall conspicuously state that the disconnection of service will be done remotely and that a utility representative will not return to the premises before disconnection. The utility shall document all attempts to contact the customer.

(2) If the utility contacts the customer or other responsible person in the customer's household by telephone on the day service is to be shutoff, the utility shall inform the customer or other responsible person that shutoff of service is imminent and the steps necessary to avoid shutoff. Unless the customer presents evidence that reasonably demonstrates that the claim is satisfied or is in dispute, or the customer makes payment, the employee may shutoff service.

(3) If the utility mailed the notice of shutoff to the customer as provided in subrule (1) of this rule, and if telephone contact with the customer cannot be made or if the customer did not respond to the notice provided in accordance with subrule (1) of this rule, no further customer contact is required on the day service is to be shutoff and the utility may shutoff service.

The Commission finds that Consumers' request for approval of the Clear Control program and its request for a temporary waiver of R 460.120(1) and (6), R 460.123(1)(b), R 460.138(1), R 460.139, R 460.141, and R 460.142 is reasonable. Consumers requests these waivers to put in place alternate billing, notification, and shut-off practices for up to 30 customers who elect to participate in the Clear Control program during this 10-month period. Because approval of the application will not result in a rate increase, *ex parte* treatment is appropriate. MCL 460.6a(1).

Because this is a pilot program with implications for important consumer protections, the Commission directs the company to provide a monthly report about the status of the Clear Control program to the Commission's Service Quality Staff (Staff) beginning 60 days after the date of this order. The reports shall provide the Staff with information about customer success with bill payment, changes in energy consumption, the number of shutoffs, and the frequency of spot payment assistance.

THEREFORE, IT IS ORDERED that:

A. Consumers Energy Company's request for a waiver of R 460.120(1) and (6), R 460.123(1)(b), R 460.138(1), R 460.139, R 460.141 and R 460.142 of the Consumer Standards and Billing Practices for Electric and Gas Residential Service is approved.

B. Consumers Energy Company's Clear Control Pilot Program is approved.

C. Beginning 60 days after the date of this order, Consumers Energy Company shall submit a monthly report on the status of the Clear Control Pilot Program to the Commission's Service Quality Staff as set forth in the order.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, under MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

John D. Quackenbush, Chairman

Greg R. White, Commissioner

Sally A. Talberg, Commissioner

By its action of July 29, 2013.

Mary Jo Kunkle, Executive Secretary

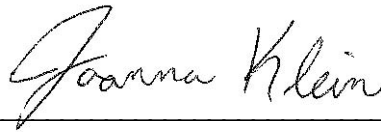
P R O O F O F S E R V I C E

STATE OF MICHIGAN)

Case No. U-17278

County of Ingham)

Joanna Klein being duly sworn, deposes and says that on July 29, 2013 A.D. she served a copy of the attached Commission order by first class mail, postage prepaid, or by inter-departmental mail, to the persons as shown on the attached service list.



Joanna Klein

Subscribed and sworn to before me
This 29th day of July 2013

Gloria Pearl Jones
Notary Public, Ingham County, MI
My Commission Expires June 5, 2016
Acting in Eaton County

Service List U-17278

Consumers Energy Company a/k/a CMS Energy
Catherine M. Reynolds
One Energy Plaza
Jackson MI 49201

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Jackson MI 49201